

Message Text

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ACTION EA-13

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LIMDIS

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TAGS: ETRD, CH

SUBJJC US-PRC TRADE EXHIBITIONS AND MISSIONS

BEGIN SUMMARY. USLO RECOMMENDS THAT THE USG, AT AN EARLY DATE, SEEK AN UNDERSTANDING WITH THE PRC ON EXCHANGES OF TRADE EXHIBITIONS AND TRADE MISSIONS. THIS SHOULD FACILITATE INITIATION OF SUCH EVENTS, WHICH THUS FAR HAVE BEEN SLOW TO GET OFF THE GROUND. END SUMMARY.

1. UNDER THE IMPETUS OF US-PRC UNDERSTANDINGS, SINO-US SPORTS, SCIENTIFIC AND CULTURAL EXCHANGES HAVE EXPANDED RAPIDLY AND ARE PROCEEDING SMOOTHLY. USLO BELIEVES TIME IS RIPE OT PURSUE SIMILAR AGREEMENTS IN THE COMMERCIAL FIELD.

2. THUS FAR IT HAS BEEN AGREED IN THE USG THAT COMMERCIAL-TYPE EXCHANGES WILL BE PROMOTED BY THE NEW NATIONAL COUNCIL ON US-CHINA TRADE (NCUSCT) AND IS COUNTERPART ORGANIZATION, THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT). HOWEVER, MOVEMENT IN THIS AREA HAS BEEN SLOW, AND THE NCUSCT'S LEADERSHIP HAS NOT BEEN INVITED TO CHINA UNTIL OCTOBER. THE PICTURE IS COMPLICATED BY THE FACT THAT THE PRC HAS INDICATED THAT IT DOES NOT WANT TO DEAL EXCLUSIVELY WITH

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THE NCUSCT BUT RATHER WISHES TO KEEP ALL CHANNELS OPEN. SINCE

TRADE MISSIONS AND EXHIBITIONS REQUIRE LONG LEAD TIMES AND CAREFUL PREPARATION, WE RECOMMEND THAT THE USG SEEK TO OBTAIN IN THE NEAR FUTURE SOME BROAD AGREEMENT WITH THE PRC ON COMMERCIAL-TYPE EXCHANGES. THE DEPARTMENT AND COMMERCE MAY WISH TO UNDERTAKE INFORMAL, CONFIDENTIAL CONSULTATIONS WITH THE NCUSCT AND OTHER LIKELY ORGANIZATIONS BEFORE THE USG MAKES THIS APPROACH.

3. TRADE EXHIBITIONS - EARLY ACTION IS REQUIRED IF THE US WISHES TO STAGE A TRADE EXHIBITION OR EXHIBITIONS IN PEKING IN THE NEXT TWO YEARS. ASSUMING THAT NCUSCT WOULD BE THE SPONSORING ORGANIZATION ON THE US SIDE, THE USG MIGHT NOW SEEK AGREEMENT IN PRINCIPLE THAT A LARGE US TRADE SHOW BE STAGED IN LATE 1974 OR EARLY 1975, TO BE RECIPROCATED EITHER SIMULTANEOUSLY OR AT A LATER DATE BY A CHINESE EXHIBITION IN THE U.S., AND THAT MORE DETAILED DISCUSSIONS ON THE MATTER TAKE PLACE DURING THE NCUSCT VISIT IN OCTOBER. ALTERNATIVELY, AN EXCHANGE OF A SERIES OF SMALLER EXHIBITIONS FOCUSING ON SPECIFIC INDUSTRIES MIGHT BE PROPOSED, TO BEGIN IN THE LATTER PART OF NEXT YEAR. SOME OR ALL COULD BE SPONSORED BY NCUSCT, AND PREPARATORY TALKS COULD START IN OCTOBER. (WHILE A LARGE EXHIBITION IS DESIRABLE FOR ITS PUBLIC RELATIONS IMPACT, THE POINT COULD BE ARGUED THAT SMALLER AND MORE SPECIALIZED EXHIBITIONS IN CHINA MIGHT HAVE A GREATER POSITIVE EFFECT ON TRADE.)

4. TRADE DELEGATIONS - MANY US TRADE GROUPS HAVE PROPOSED MISSIONS TO PRC OVER PAST TWO YEARS, BUT THUS FAR THERE HAS BEEN SCANT CHINESE RESPONSE. THE USG MIGHT SEEK A STATEMENT TO THE EFFECT THAT TO BEGIN THE PROCESS OF EXCHANGING TRADE DELEGATIONS, EACH SIDE INTENDS TO INVITE AT LEAST TWO DELEGATIONS FROM THE OTHER SIDE OVER THE NEXT SIX MONTHS TO A YEAR. THIS COULD BE COORDINATED BY THE CCPIT AND THE NCUSCT, BUT THE CHINESE, IF THEY WISH, WOULD BE FREE TO INVITE ADDITIONAL GROUPS WHICH HAVE NOT SOUGHT NCUSCT ASSISTANCE.

5. USLO HAS COMPILED A LIST OF ORGANIZATIONS WHICH HAVE PROPOSED TRADE MISSIONS TO THE PRC, AND STATE AND COMMERCE ARE DOUBTLESS AWARE OF OTHERS. WE ARE POUCHING CORRESPONDENCE WE HAVE HAD WITH THESE ORGANIZATIONS. THOSE WHICH WE BELIEVE HAVE THE CONFIDENTIAL

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BEST POTENTIAL FOR PROMOTING EXPANDED TRADE AND WHICH APPEAR BEST ORGANIZED ARE: (A) NATIONAL MACHINE TOOL BUILDERS ASSOCIATION, MCLEAN, VIRGINIA; (B) ELECTRONICS INDUSTRY ASSOCIATION, WASHINGTON, D.C.; AND (C) MIDDLE WESTERN INDUSTRIALISTS (SEE WILLIS ARMSTRONG-DAVID BRUCE LETTERS OF MAY 30 AND JUNE 12). OTHERS WHICH HAVE PROPOSED TRADE MISSIONS TO THE PRC ARE: (D) R.B. WILLSON, INC. (N.Y. CITY) - CORNELL UNIVERSITY-USDA HONEY MISSION; (E) PORT OF SEATTLE; (F) NORTH CAROLINA AGRIBUSINESS

MISSION; AND (G) OREGON TRADE MISSION. IN ADDITION, WE ARE AWARE OF THE FOLLOWING INVITATIONS WHICH HAVE BEEN EXTENDED TO THE PRC FOR IT TO SEND MISSIONS TO THE US: (A) ESSENTIAL OIL ASSOCIATION TO ATTEND INTERNATIONAL CONGRESS TO BE HELD IN US IN SEPTEMBER 1974 (COULD BE TROUBLESOME IF ROC BUSINESSMEN ARE ALSO INVITED); (B) CALIFORNIA COUNCIL OF INTERNATIONAL TRADE; AND (C) PORT OF SEATTLE.

6. RECOMMENDATION: THAT THE USG, AT AN EARLY DATE, SEEK AN UNDERSTANDING WITH THE PRC ON AN INITIAL PROGRAM OF TRADE EXHIBITIONS AND TRADE DELEGATIONS. SUCH AN INITIATIVE COULD BE UNDERTAKEN IF TIME PERMITS, DURING THE COURSE OF DR. KISSINGER'S FORTHCOMING VISIT, OR HANDLED SEPARATELY, EITHER THROUGH USLO PEKING OR THE PRCLO IN WASHINGTON.
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